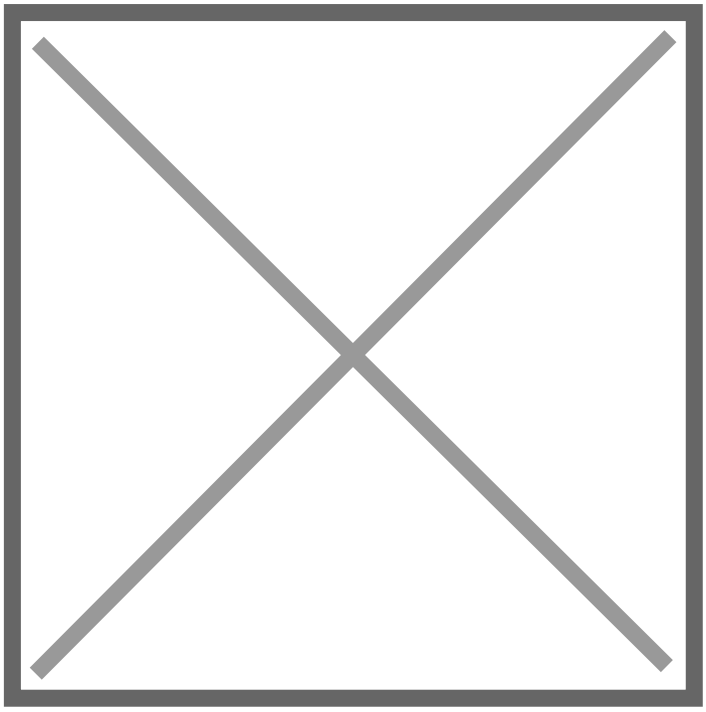
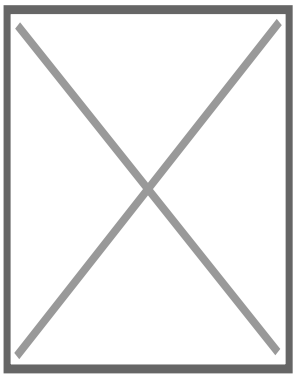
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"We're setting up a base in the US"

04 January 2011 | News





Dr Vishal Warke,
director (R&D),
HiMedia Laboratories, Mumbai

HiMedia Laboratories, a leading manufacturer of products for microbiology, parasitology, immunology, serology and virology is counted amongst the world's few companies possessing high-technology know-how for manufacturing microbiological culture media. HiMedia has over 3,000 microbiology products. Its products are available and used in almost all parts of the world, and compete with other products of international repute.

In an exclusive with BioSpectrum, Dr Vishal Warke, director (R&D), HiMedia Laboratories, throws light on the activities of the company and its achievements in the past two years, which include proactively combating the H1N1 menace in the country. Excerpts from the interview.

Q What are the advantages of the Swine Flu Transport kits introduced by HiMedia?

The Swine Flu Transport kit was introduced prior to the H1N1 epidemic attack in India. We started our work when swine flu surfaced in Mexico; and also, around that time there were some ongoing investigation at the National Institute of Virology (NIV), Pune. We were also alerted by marketing team about the flu. Realizing the need, we became proactive in producing these kits.

This is a unique kit, sold at one-tenth the cost of other swine flu kits available in the market. This transport kit uses a unique swab (known as flocculated swab) wherein, just by placing it in the nasal cavity, it draws in a lot of viral particles. The nature of this kit is such that the entire material can be preserved in the swab, and held in place. The medium consists of certain components so that the virus remains in the swab for a good period of time, without it being killed.

Q How much investment was made for developing the swine flu kits and how was it marketed?

Swine flu kits were produced in millions, and were supplied to all cities in India. The only concern for us was, scalability. We faced a situation where all our distributors and clients (mainly hospitals) loaded us with huge orders; but we could supply

these swabs only in parts. We increased our investment on the production of these kits. Our infrastructure in Nashik (Maharashtra) was already in place, and so were our clean rooms. We acquired six new biosafety level type 2 cabinets, and bought in filtration equipments and accordingly, we mobilized manpower. We procured 15 ml tubes from all parts of the world.

During the epidemic, around 99 percent of the swabs used in the country were manufactured by HiMedia. The demand for the viral transport media and swabs was very high at that time; and we could have increased the price and gained benefits out of it, but we chose not to. While other companies sold their swabs at an exorbitant rate, the price of our swabs were kept around $1.11 (`50). It was a national emergency; and supplying excellent quality, affordable, viral transport kits, was our contribution to the cause.

Q Apart from swine flu kits, what are the other milestones of HiMedia in the past two years ?

HiMedia is a group of companies, and Warkem Biotech is our sister company. We produce HiVeg Peptones (Hydrolysates prepared from non-animal sources, such as wheat, corn and soy) that are manufactured by Warkem Biotech. The manufacturing plant has been scaled up; and will cater to the global needs, particularly with the increasing demand for non-animal protein hydrolysates - given the risk of Mad Cow Disease - from animal-origin material. This apart, we have been supplying different kinds of kits on a regular basis. We have launched comprehensive and easy-to-perform kits for soil and water analysis, for farmers and agriculturists. We have also launched kits for milk adulteration testing, and detection of arsenic in water. Another kit that we have launched is to detect mastitis in cows (in collaboration with Shree Chitra Tirunal Institute, Kerala). We also have cost-effective kits for detection of sickle cell anemia (screening as well as confirmation).

The National Biodiversity Screening Program was introduced two years ago, by the Department of Biotechnology (DBT), to screen the rich and diverse flora and fauna in India. This program is being conducted by the DBT along with 13 key institutions in India. HiMedia is a partner in supplying culture media, to isolate and then to maintain, the microbes.

We have also entered stem cell and primary cell market. We have already made these cells and media available to our scientists at an affordable cost. The key bottleneck in the market, is the price. We will soon scale up production for stem cells, primary cells and their media; and hope to reduce the prices significantly. Presently, we are importing them; although we are also setting up systems to separate them in India. By 2011, we hope to manufacture and make these available in India.

Q Within your portfolio offerings, which were the revenue churning segments for HiMedia in the past two years?

Culture media is the basis of our business; and brings in the maximum revenue. We also get a sizable chunk of revenue from exports, as about 50 percent of HiMedia’s production today is exported. We cater to 125 countries; and our vision was to produce media in India and sell them abroad to compete with the best brands in the world. Because, the Indian market, in terms of microbiology and media, is witnessing a saturation point; many people are moving away from media, towards automated systems that are also on our priority list.

On the global front, we have partnered with US-based VWR, and are making inroads into the US market. We have offices in the US, Russia, CIS and Brazil, where we have a strong presence and are growing rapidly.

The US is the largest market for us. Due to the economic recession, most companies overseas are looking at cutting down costs, and therefore, want good quality media, at affordable prices; and that is where HiMedia fits the bill.

In cell culture, we have advanced in a big way into serum-free and animal-free media. HiMedia has given out serum-free media samples; and have received very encouraging feedback.

Moreover, we are also looking at expanding our chemical and fine chemical supplies segment, since we realized that many reputed players in the fine chemicals and reagent market, are actually sourcing chemicals from India; and reselling them to India, after relabeling in their respective countries. We have set up a world class chemical testing and validation laboratory with this objective.

Q Is HiMedia looking at any strategic alliance, partnership or acquisition in near future?

Nothing on the cards as yet. Many companies were interested in acquiring HiMedia and we have received attractive offers. But, we are scientists first, and businessmen later, so we declined the offer. We have people who want to partner with us for the chemical division; and talks are in progress on that front.

We are open to making acquisitions, particularly for ready prepared media which has a demand in North America and Europe. So, we are looking at setting up a base in the US, where we can ship our powdered media to be re-hydrated there.

Q What are the strategies for the company in the coming years?

We are focusing on biopharma and vaccine industry. They are using our hydrolysates and media. We are focused on providing a complete solution to them, instead of simply supplying products. We essentially have products in microbiology, cell culture, molecular biology and plant tissue culture. We are also planning to develop certain products for fertility clinics; although that is still in the ideation phase. Additionally, we have expanded our ready prepared or pre-poured microbiology media plates facility, to produce 50,000 plates per day.

With this, we hope to cater to the burgeoning Indian pharmaceutical market, as well as exporting them to nearby countries. In the cell culture space, we are looking at introducing induced pluripotent stem cells (iPS) because ,this is the future; and these are currently exorbitantly priced, and difficult to procure in India.

Q Will there be any change in the business model?

We are not looking at any change in our business model, as that has served us well over the years. We are not in a hurry to grow big overnight, and have a conservative approach, and managed to keep a healthy and steady growth rate over the last decade.

Our finances are well-managed, and further funding is not a problem as financial firms are willing to give us funds. However, at this point, we are not looking at any additional funding, either through equity funding or IPO. Technologically, we have our identity, and we would like to preserve that, and hold on to our conservative approach.

Nayantara Som in Mumbai